

DBIB WEEKLY BULLETIN

WEEK 39

Date: 29.09.2023

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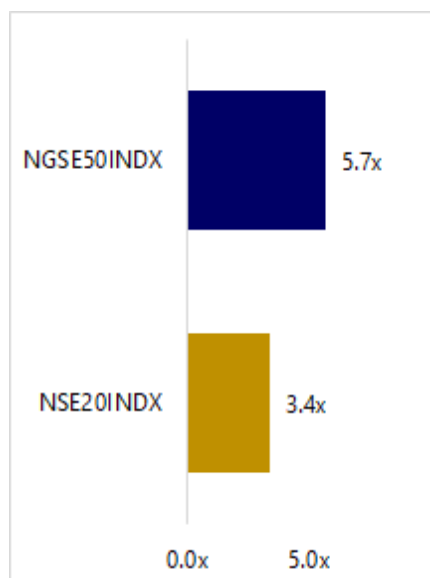
INDICES & MARKET METRICS MOVEMENT

NSE 20 and NASI shed
0.7% and 1.6% w-o-w to
close at 1,508.75 and
95.22 respectively.

Weekly equity turnover
decreased by 60.7% w-o-
w to close at USD 3.47
MN (KES 0.51 BN).

USD | KES: KES weakened by
0.5% w-o-w to close at
148.10 (-20.0% year-to-date).

PEER P/E MULTIPLES



NSE20INDX* - NSE 20 Index
NGSE50INDX* - Nigeria Stock Exchange
50 Index

*LTM Price/EPS

(Source: Bloomberg, DBIB Research)

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	95.22	(1.62)	(11.01)	(15.56)	(25.30)
NSE-20	1,508.75	(0.69)	(4.20)	(6.98)	(9.98)
DBIB Select	100.69	(0.11)	(3.48)	(6.65)	(7.88)
MSCI Kenya (USD)	624.98	(3.09)	(18.11)	(28.71)	(43.41)
MSCI Frontier (USD)	490.14	(1.10)	0.91	1.29	3.77

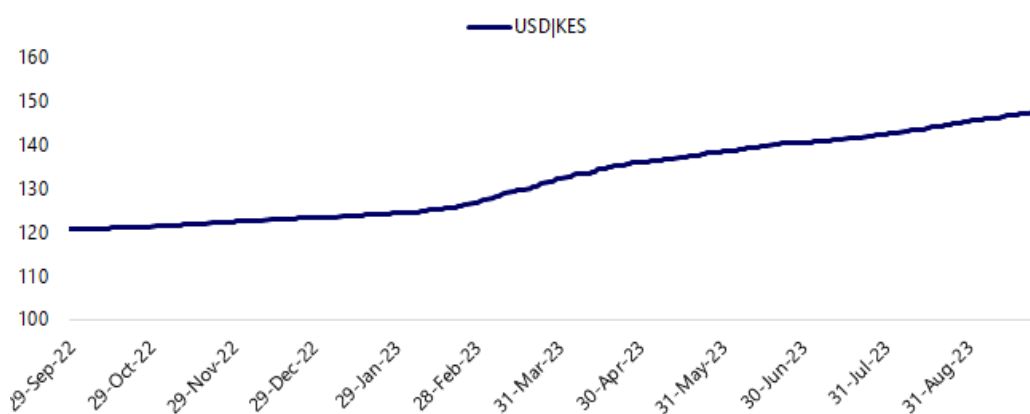
(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	1,487.67	(1.62)	(2.98)	(10.72)	(15.29)
Market Turnover (USD m)	3.47	(60.90)	(71.46)	(16.79)	(73.73)
Market P/E (x)	9.02	(0.91)	3.66	5.09	6.81
Market Div. yld (%) *	8.64	14.02	(64.53)	(49.17)	133.83
Market ROE (%) *	27.51	(1.18)	(167.36)	(808.23)	(878.26)

* Changes in % **Changes in bps -Market ROE is market cap weighted -ch: changes

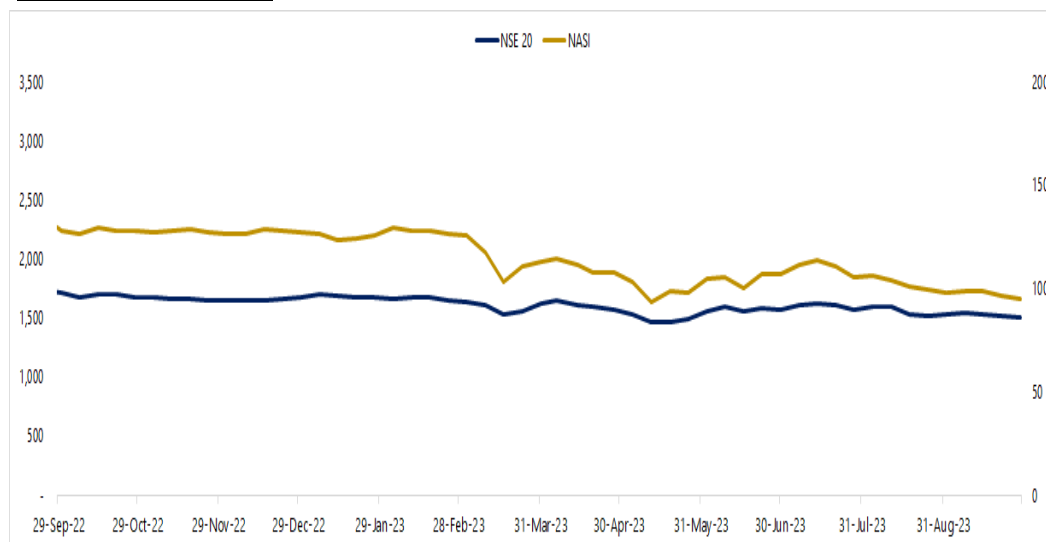
(Source: NSE, DBIB Research)

USD | KES : 52-Week Trend



(Source: CBK, DBIB Research)

Indices : 52-Week Trend



(Source: NSE, DBIB Research)

WEEKLY BOURSE WRAP UP...

Safaricom emerged as the top traded counter on the bourse recording a weekly turnover of USD 1.02 MN (KES 151.14 MN) representing 29.44% of this week's turnover.

The stock shed by 2.7% w-o-w to close at KES 14.60 on Friday.

Foreign investors assumed a **net selling** position on the counter this week by accounting for 88.83% of foreign sales and 42.01% of foreign purchases.

Week-on-Week Performance

Top gainers	%
Home Afrika	9.7
Longhorn Publishers	9.0
Kapchorua Tea	7.2
Stanbic	3.8
STANLIB FAHARI I-REIT	3.6

(Source: NSE, DBIB Research)



Top Losers	%
Car & General	(20.7)
Express Kenya Ltd	(16.5)
Sameer Africa Ltd	(10.4)
TPS Eastern Africa	(10.2)
Crown Paints	(10.0)

Source: NSE, DBIB Research



Top traders (Value)	USD MN
Safaricom	1.02
KCB	0.41
Jubilee	0.28
DTB	0.26
Equity	0.26

(Source: NSE, DBIB Research)

Y-T-D Performance

Top gainers	%
New Gold ETF	91.0
BK Group	90.0
E.A. Breweries	67.1
Equity	61.7
NBV	60.3

Source: NSE, DBIB Research



Top Losers	%
BAT Kenya	87.6
Safaricom	80.0
New Gold ETF	79.6
BK Group	75.7
Unga Ltd	67.3

(Source: NSE, DBIB Research)



Weekly Foreign Performance

Top Weekly Buys	% Purchase
BAT Kenya	97.1
StanChart	79.5
Equity Bank	49.3
Diamond Trust Bank	47.2
Safaricom	35.0

(Source: NSE, DBIB Research)

Top Weekly Sales	% Sold
BAT Kenya	98.8
Safaricom	98.2
Co-operative Bank	92.6
Centum	76.3
KenGen	55.5

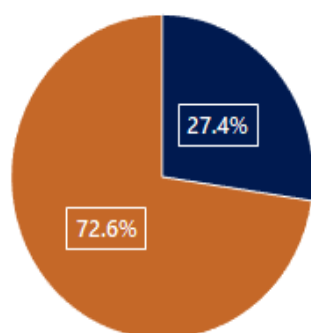
Y-T-D Foreign Performance

Top Foreign Buys	% Purchase
New Gold ETF	91.0
BK Group	90.0
E.A. Breweries	67.1
Equity	61.7
NBV	60.3

(Source: NSE, DBIB Research)

Top Foreign Sales	% Sold
BAT Kenya	87.6
Safaricom	80.0
New Gold ETF	79.6
BK Group	75.7
Unga Ltd	67.3

WEEKLY LOCAL VS FOREIGN PARTICIPATION



- Foreign Participation
- Local Participation

(Source: NSE, DBIB Research)

The Bond market's turnover for the week stood at USD 104.61 MN (KES 48.33 BN) representing a 212.0% w-o-w increase from USD 104.61 MN (KES 15.42 BN) recorded the previous week.

FROM THE FIXED INCOME DESK

The Bond market's turnover for the week stood at USD 104.61 MN (KES 48.33 BN) representing a 212.0% w-o-w increase from USD 104.61 MN (KES 15.42 BN) recorded the previous week. The bond issue number FXD1/2012/15 (Re-opened) emerged as the top traded bond with a turnover of KES 10.70 BN accounting for 22.1% of the week's turnover. The bond traded between 14.4294% and 18.2000%.

September Tap sale Results FXD1/2023/002 (re-opened) and FXD1/2016/010 (re-opened)

The Central Bank of Kenya (CBK) had a tap sale for the re-opened FXD1/2023/002 (1.9 years) and FXD1/2016/010 (2.9 years) with the intention of raising KES 15.0 BN for budgetary support. From the auction, the CBK received a sum of KES 3.45 BN (FXD1/2023/2: KES 2.63 BN, FXD1/2016/10: KES 0.81 BN) translating to a subscription rate of 22.97%. In turn, it accepted KES 2.61 BN for FXD1/2023/2 and KES 0.76 BN for FXD1/2016/10. The coupon rate for FXD1/2023/2 came in at 16.9723% while that of FXD1/2016/10 stands at 15.0390%

Top Trades for the week ending 29 September 2023

						Total
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (KES m)	Value (KES m)
29-Sep	FXD1/2020/15Yr	11.4	12.7560	14.8421	90.02	2,000.0
29-Sep	FXD3/2019/10Yr	5.9	11.5170	14.5868	89.58	1,750.0
25-Sep	FXD1/2021/5Yr	3.1	11.2770	18.1800	88.11	1,700.0
25-Sep	FXD1/2012/15Yr	4.0	11.0000	18.0000	81.16	1,655.1
28-Sep	IFB1/2021/16Yr	13.3	12.2570	13.5062	95.76	1,400.0
28-Sep	IFB1/2021/21Yr	18.9	12.7370	13.1900	97.92	1,251.5
29-Sep	FXD1/2018/20Yr	14.4	13.2000	14.7744	91.08	1,100.0
25-Sep	FXD1/2021/5Yr	3.1	11.2770	18.0000	88.48	1,000.0
26-Sep	FXD1/2021/5Yr	3.1	11.2770	18.2000	88.11	1,000.0
26-Sep	FXD1/2021/5Yr	3.1	11.2770	18.1800	88.15	1,000.0
27-Sep	FXD1/2012/15Yr	3.9	11.0000	18.0000	81.24	1,000.0

Sell & buy-backs

28-Sep	FXD1/2020/15Yr	11.4	12.7560	14.8621	89.89	2,000.0
28-Sep	FXD3/2019/10Yr	5.9	11.5170	14.6068	89.47	1,750.0
27-Sep	IFB1/2021/16Yr	13.3	12.2570	13.5262	95.63	1,400.0
27-Sep	IFB1/2021/21Yr	18.9	12.7370	13.2100	97.77	1,251.5

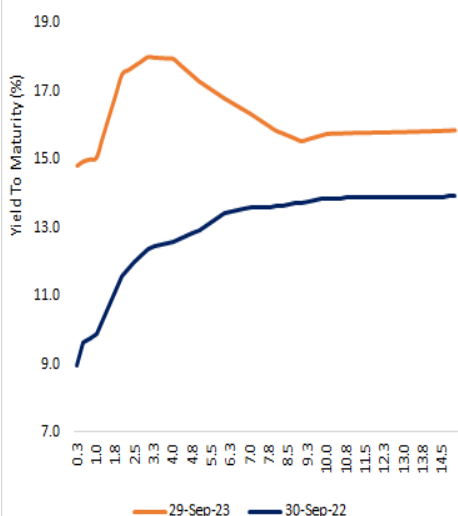
(Source: NSE, DBIB Research)

Treasury Bill auction for the week ending 29 September 2023

Instrument	Amount (KES Bn)	Bids Received (KES Bn)	Subscription Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.00	11.01	275.19	3.30	14.821	3.4
182-day	10.00	0.81	8.09	0.54	14.950	1.0
364-day	10.00	1.84	18.41	0.67	15.054	(16.7)

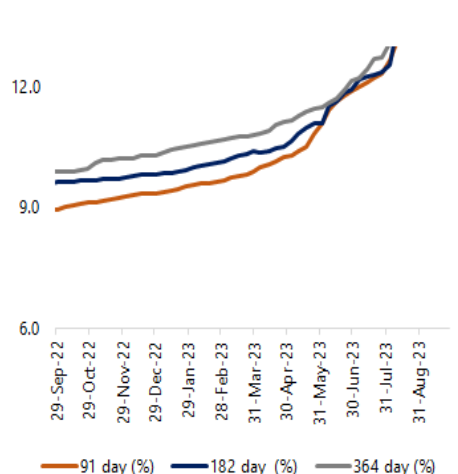
(Source: NSE, DBIB Research)

Kenya: GoK Yield Curve



Source: NSE, DBIB Research

Yields: Treasury Bills



Source: NSE, DBIB Research

Salient News

NCBA declares Intention to acquire AIG Kenya Insurance Kenya

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NCBA Group announced its intention to acquire up to 100% shareholding of AIG Kenya Insurance.

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NCBA Group announced its intention to acquire up to 100% shareholding of AIG Kenya Insurance after receiving approval from its board on the proposed transaction. The lender currently owns a minority shareholding of 33.3% in the insurance company. NCBA Group's managing director stated this move is aimed at addressing the full set of financial needs of customers.

Source: Company, Business Daily.

UNGA GROUP FY23 Earnings

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Unga Group released its audited FY23 earnings reporting a loss after tax of KES 959.4 MN.

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Unga Group released its audited FY23 earnings reporting a loss after tax of KES 959.4 MN. This was largely attributed the depreciation of the Kenya Shilling and the inability to secure adequate supply of US dollars causing significant forex losses and interest expenses.

Revenue for the period increased 33.4% y-o-y to KES 24.0 BN driven by high prices of raw materials and finished goods.

Operating loss stood at KES 440.6 MN while finance income decreased 23.6% y-o-y to KES 31.4 MN. Finance costs for the period stood at 784.4 MN.

Total assets increased 11.8% y-o-y to KES 11.5 BN after a 8.9% y-o-y increase in non-current assets to KES 4.9 BN and a 14.1% y-o-y increase in current assets to KES 6.6 BN.

Total liabilities rose 59.85% y-o-y to KES 5.7 BN following a 66.0% y-o-y reduction in non-current liabilities to KES 54.8 MN and a 65.7% y-o-y increase in current liabilities to KES 5.67 BN. Total equity for the period decreased 13.8% y-o-y to KES 5.8 BN.

Net cash from operating activities stood at 377.3 MN. Net cash used in investing activities was stated as KES 352.6 MN while net cash used in financing activities stood at KES 551.2 MN.

Source: Company, NSE.

UPCOMING EVENTS

Profit Warnings

1. Kenya Power
2. Longhorn
3. Unga Group

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
Jubilee Holdings	Interim: KES 2.00	8-Sep-23	11-Oct-23
EABL	Final: KES 1.75	15-Sep-23	27-Oct-23
Absa	Interim: KES 0.20	21-Sep-23	12-Oct-23
Umeme	Interim: UGX: 24.00	09-Feb-24	29-Feb-24
Centum	Final: KES 0.60	STA	STA

(Source: NSE, DBIB Research)

STA—Subject to approval*

(Source: Company filings , DBIB Research)

APPENDIX

COMPANY INVESTMENT RATINGS

Buy: Share price may generate more than 15.0% upside over the next 12 months

Overweight: Share price may generate between 10.0% and 15.0% upside over the next 12 months

Hold: Share price may fall within the range of < +5.0%/ -10.0% over the next 12 months

Take Profit: Target price has been attained. Look to accumulate at lower levels. Company fundamentals however remain strong

Underweight: Share price may generate between 10.0% and 15.0% downside over the next 12 months

Sell: Share price may generate more than 15.0% downside over the next 12 months, significant business and/or financial risks present, industry concerns

Not Rated: Counter is not within regular research coverage

SECTOR INVESTMENT RATINGS

Overweight: Industry performance better than that of the whole market

Equal weight: Industry performance about the same as that of the whole market

Underweight: Industry performance worse than that of the whole market

DBIB SELECT INDEX

*The DBIB Select Index is an **in-house, bespoke index** designed by DBIB Research department to represent the performance of select Kenyan companies listed on the Nairobi Securities Exchange which fall within DBIB Research's class A and B coverage. The Index is market capitalization-weighted and comprises of counters in the Banking, Insurance, FMCG, Investments, Cement, Telco, Utilities and Media space. We believe this provides investors with a complementary index with which to measure the performance of the major capital and industry segments of the Kenyan Stock Market, hence appealing to broad range of investors and intermediaries seeking to develop structured portfolios based on indices.*

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